AMENDED IN SENATE JULY 5, 2012 AMENDED IN SENATE FEBRUARY 15, 2011 AMENDED IN SENATE JANUARY 10, 2011

Senate Constitutional Amendment

No. 2

Introduced by Senator Wyland (Principal coauthor: Senator Emmerson)

December 6, 2010

Senate Constitutional Amendment No. 2—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending, repealing, and adding Sections 3, 8, 10, and 12 of Article IV thereof, relating to legislative sessions.

LEGISLATIVE COUNSEL'S DIGEST

SCA 2, as amended, Wyland. Revised biennial session.

(1) The California Constitution requires the Legislature to convene in regular biennial session at noon on the first Monday in December of each even-numbered year to consider legislation and the Budget Bill.

This measure would require the Legislature to convene in regular biennial session, but would require, commencing on December 3, 2012 1, 2014, that the sessions held in odd-numbered years be budget sessions, and that the sessions held in even-numbered years be general sessions. The measure would require the Legislature in the budget session to adopt Budget Bills for each of the 2 subsequent fiscal years. The While the Legislature would be authorized to conduct any other business during a budget session, the measure would require the Legislature, during a budget session, to meet only to conduct oversight and review of the revenues and expenditures of the state, to conduct hearings to hear recommendations for improving job creation and economic

 $SCA 2 \qquad \qquad -2-$

development, and to consider Budget Bills and budget implementation bills, as defined, as well as urgency statutes and bills to improve job ereation and economic development. The measure would further require the Legislature, during a budget session, to conduct oversight and review of state revenues and expenditures and, in that connection, to establish an oversight and program review process for evaluating public programs supported with state funds, as specified.

(2) The California Constitution requires that a budget be submitted by the Governor, and that the Legislature pass a Budget Act on or before June 15. Funds may be expended from the State Treasury for support of the state government only through an appropriation made by law.

This measure would require, in each odd-numbered calendar year, commencing in 2013 2015, that the Governor submit to the Legislature a proposed budget for each of the 2 subsequent fiscal years. The measure would require that the budget submitted by the Governor include a goal statement, description of outcome measures, and a historical report for each public program for which state funds are appropriated by that budget, as specified.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

- 1 Resolved by the Senate, the Assembly concurring, That the
- 2 Legislature of the State of California at its 2011-12 Regular
- 3 Session commencing on the sixth day of December 2010,
- 4 two-thirds of the membership of each house concurring, hereby
- 5 proposes to the people of the State of California that the
- 6 Constitution of the State be amended as follows:
- 7 First—That Section 3 of Article IV thereof is amended to read:
- 8 SEC. 3. (a) The Legislature shall convene in regular session
- at noon on the first Monday in December of each even-numbered
- 10 year and each house shall immediately organize. Each session of
- 11 the Legislature shall adjourn sine die by operation of the
- 12 Constitution at midnight on November 30 of the following
- 13 even-numbered year.
- 14 (b) On extraordinary occasions the Governor by proclamation 15 may cause the Legislature to assemble in special session. When
- 16 so assembled it has power to legislate only on subjects specified
- 17 in the proclamation but may provide for expenses and other matters
- 18 incidental to the session.

-3- SCA 2

(c) This section does not apply to any legislative session commencing on or after December 3, 2012 1, 2014. This section shall remain in effect until December 3, 2012 1, 2014, and as of that date is repealed. Section 3 of Article IV, as added by the measure that added this subdivision, shall apply to legislative sessions commencing on or after December 3, 2012 1, 2014.

Second—That Section 3 is added to Article IV thereof, to read: SEC. 3. (a) The Legislature shall convene in biennial regular session at noon on the first Monday in December of each even-numbered year and each house shall immediately organize. Each regular session of the Legislature shall adjourn sine die by operation of the Constitution at midnight on November 30 of the following even-numbered year.

- (b) (1) Odd-numbered years of the biennial regular session, together with the immediately preceding December upon organization of each house, shall be known as budget sessions. In a budget session, the Legislature shall—meet only to conduct oversight and review of the revenues and expenditures of the State, to examine the extent to which the State provides incentives for economic investment and job creation, and to consider budget bills and budget implementation bills for the succeeding two fiscal years, except that the Legislature may consider a bill to improve job creation or economic development following the hearings described in paragraph (2), or a bill to enact an urgency statute and may conduct any other business.
- (2) The—In a budget session, the Legislature shall conduct oversight and review of the revenues and expenditures of the State. In furtherance of that purpose, the Legislature shall—convene—a joint committee during each budget session to conduct hearings regarding the business climate in the State. The committee shall invite representatives from a variety of businesses to testify and provide recommendations for improving job creation and economic development. The committee shall transmit a record of the recommendations received in these hearings to each Member of the Legislature, to assist in enacting legislation to improve job creation and economic development establish an oversight and program review process for evaluating public programs that shall include, but not be limited to, periodic review of each program supported with state funds at least once every four years, unless each house by rollcall vote entered in the journal, two-thirds of

 $SCA 2 \qquad -4-$

the membership concurring, determines there is no public benefit to evaluating or reviewing a specific program. The process shall include the establishment of a schedule to review the operations and outcomes of each public program, performance standards that identify the intended goals to be supported by each program, and an evaluation of the impact of each program on the achievement of those goals.

- (c) Even-numbered years of the biennial regular session shall be known as general sessions, during which any legislation may be considered.
- (d) On extraordinary occasions the Governor by proclamation may cause the Legislature to assemble in special session. When so assembled, the Legislature shall have power to legislate only on subjects specified in the proclamation, but may provide for expenses and other matters incidental to the session.
- (e) For purposes of this section, "budget implementation bill" means a bill that is identified in a statute enacting a budget bill as containing only changes in law necessary to implement the budget bill.

Third—That Section 8 of Article IV thereof is amended to read: SEC. 8. (a) At regular sessions no bill other than the budget bill may be heard or acted on by committee or either house until the 31st day after the bill is introduced unless the house dispenses with this requirement by rollcall vote entered in the journal, three-fourths of the membership concurring.

- (b) The Legislature may make no law except by statute and may enact no statute except by bill. No bill may be passed unless it is read by title on three days in each house except that the house may dispense with this requirement by rolleall vote entered in the journal, two-thirds of the membership concurring. No bill may be passed until the bill with amendments has been printed and distributed to the Members. No bill may be passed unless, by rolleall vote entered in the journal, a majority of the membership of each house concurs.
- (c) (1) Except as provided in paragraphs (2) and (3), a statute enacted at a regular session shall go into effect on January 1 next following a 90-day period from the date of enactment of the statute and a statute enacted at a special session shall go into effect on the 91st day after adjournment of the special session at which the bill was passed.

5 SCA 2

(2) A statute enacted by a bill passed by the Legislature on or before the date the Legislature adjourns for a joint recess to reconvene in the second calendar year of the biennium of the legislative session, and in the possession of the Governor after that date, shall go into effect on January 1 next following the enactment date of the statute unless, before January 1, a copy of a referendum petition affecting the statute is submitted to the Attorney General pursuant to subdivision (d) of Section 10 of Article II, in which event the statute shall go into effect on the 91st day after the enactment date unless the petition has been presented to the Secretary of State pursuant to subdivision (b) of Section 9 of Article II.

- (3) Statutes calling elections, statutes providing for tax levies or appropriations for the usual current expenses of the State, and urgency statutes shall go into effect immediately upon their enactment.
- (d) Urgency statutes are those necessary for immediate preservation of the public peace, health, or safety. A statement of facts constituting the necessity shall be set forth in one section of the bill. In each house the section and the bill shall be passed separately, each by rollcall vote entered in the journal, two-thirds of the membership concurring. An urgency statute may not create or abolish any office or change the salary, term, or duties of any office, or grant any franchise or special privilege, or create any vested right or interest.
- (e) This section does not apply to any legislative session commencing on or after December 3, 2012. This section shall remain in effect until December 3, 2012, and as of that date is repealed. Section 8 of Article IV, as added by the measure that added this subdivision, shall apply to legislative sessions commencing on or after December 3, 2012.
- Fourth—That Section 8 is added to Article IV thereof, to read: SEC. 8. (a) At a general session no bill may be heard or acted on by committee or either house until the 31st day after the bill is introduced unless the house dispenses with this requirement by rolleall vote entered in the journal, three-fourths of the membership concurring.
- (b) The Legislature may make no law except by statute and may enact no statute except by bill. No bill may be passed unless it is read by title on three days in each house except that the house may

 $SCA 2 \qquad -6-$

dispense with this requirement by rollcall vote entered in the journal, two-thirds of the membership concurring. No bill may be passed until the bill with amendments has been printed and distributed to the Members. No bill may be passed unless, by rollcall vote entered in the journal, a majority of the membership of each house concurs.

- (c) (1) Except as provided in paragraph (2), a statute enacted at a regular session shall go into effect on January 1 next following a 90-day period from the date of enactment of the statute and a statute enacted at a special session shall go into effect on the 91st day after adjournment of the special session at which the bill was passed.
- (2) Statutes calling elections, statutes providing for tax levies or appropriations for the usual current expenses of the State, and urgency statutes shall go into effect immediately upon their enactment.
- (d) Urgency statutes are those necessary for immediate preservation of the public peace, health, or safety. A statement of facts constituting the necessity shall be set forth in one section of the bill. In each house, the section and the bill shall be passed separately, each by rollcall vote entered in the journal, two-thirds of the membership concurring. An urgency statute may not create or abolish any office, change the salary, term, or duties of any office, grant any franchise or special privilege, or create any vested right or interest.
- Fifth—That Section 10 of Article IV thereof is amended to read: SEC. 10. (a) Each bill passed by the Legislature shall be presented to the Governor. It becomes a statute if it is signed by the Governor. The Governor may veto it by returning it with any objections to the house of origin, which shall enter the objections in the journal and proceed to reconsider it. If each house then passes the bill by rollcall vote entered in the journal, two-thirds of the membership concurring, it becomes a statute.
- (b) (1) Any bill passed by the Legislature on or before the date the Legislature adjourns for a joint recess to reconvene in the second calendar year of the biennium of the legislative session, and in the possession of the Governor after that date, that is not returned within 30 days after that date becomes a statute.
- (2) Any bill passed by the Legislature before September 1 of the second calendar year of the biennium of the legislative session

7 SCA 2

and in the possession of the Governor on or after September 1 that is not returned on or before September 30 of that year becomes a statute.

- (3) Any other bill presented to the Governor that is not returned within 12 days becomes a statute.
- (4) If the Legislature by adjournment of a special session prevents the return of a bill with the veto message, the bill becomes a statute unless the Governor vetoes the bill within 12 days after it is presented by depositing it and the veto message in the office of the Secretary of State.
- (5) If the 12th day of the period within which the Governor is required to perform an act pursuant to paragraph (3) or (4) is a Saturday, Sunday, or holiday, the period is extended to the next day that is not a Saturday, Sunday, or holiday.
- (e) Any bill introduced during the first year of the biennium of the legislative session that has not been passed by the house of origin by January 31 of the second calendar year of the biennium may no longer be acted on by the house. No bill may be passed by either house on or after September 1 of an even-numbered year except statutes calling elections, statutes providing for tax levies or appropriations for the usual current expenses of the State, and urgency statutes, and bills passed after being vetoed by the Governor.
- (d) The Legislature may not present any bill to the Governor after November 15 of the second calendar year of the biennium of the legislative session.
- (e) The Governor may reduce or eliminate one or more items of appropriation while approving other portions of a bill. The Governor shall append to the bill a statement of the items reduced or eliminated with the reasons for the action. The Governor shall transmit to the house originating the bill a copy of the statement and reasons. Items reduced or eliminated shall be separately reconsidered and may be passed over the Governor's veto in the same manner as bills.
- (f) (1) If, following the enactment of the budget bill for the 2004–05, 2005–06, 2006–07, 2007–08, 2008–09, 2009–10, 2010–11, 2011–12, or 2012–13 fiscal year, the Governor determines that, for that fiscal year, General Fund revenues will decline substantially below the estimate of General Fund revenues upon which the budget bill for that fiscal year, as enacted, was

 $SCA 2 \qquad -8-$

based, or General Fund expenditures will increase substantially above that estimate of General Fund revenues, or both, the Governor may issue a proclamation declaring a fiscal emergency and shall thereupon cause the Legislature to assemble in special session for this purpose. The proclamation shall identify the nature of the fiscal emergency and shall be submitted by the Governor to the Legislature, accompanied by proposed legislation to address the fiscal emergency.

- (2) If the Legislature fails to pass and send to the Governor a bill or bills to address the fiscal emergency by the 45th day following the issuance of the proclamation, the Legislature may not act on any other bill, nor may the Legislature adjourn for a joint recess, until that bill or those bills have been passed and sent to the Governor.
- (3) A bill addressing the fiscal emergency declared pursuant to this section shall contain a statement to that effect.
- (g) (1) This section does not apply to any legislative session commencing on or after December 3, 2012. This section shall no longer be operative as of December 3, 2012, and as of July 1, 2013, is repealed. Section 10 of Article IV, as added by the measure that added this subdivision, shall apply to legislative sessions commencing on or after December 3, 2012.
- (2) Notwithstanding paragraph (1), subdivision (f) shall remain in effect until July 1, 2013.
- Sixth—That Section 10 is added to Article IV thereof, to read: SEC. 10. (a) Each bill passed by the Legislature shall be presented to the Governor. It becomes a statute if it is signed by the Governor. The Governor may veto it by returning it with any objections to the house of origin, which shall enter the objections in the journal and proceed to reconsider it. If each house then passes the bill by rolleall vote entered in the journal, two-thirds of the membership concurring, it becomes a statute.
- (b) (1) Any bill passed by the Legislature in a budget session or general session before September 1 and in the possession of the Governor on or after September 1 that is not returned on or before September 30 of that year becomes a statute.
- (2) Any other bill presented to the Governor that is not returned within 12 days becomes a statute.
- 39 (3) If the Legislature by adjournment of a special session 40 prevents the return of a bill with the veto message, the bill becomes

-9- SCA 2

a statute unless the Governor vetoes the bill within 12 days after it is presented by depositing it and the veto message in the office of the Secretary of State.

- (4) If the 12th day of the period within which the Governor is required to perform an act pursuant to paragraph (2) or (3) is a Saturday, Sunday, or holiday, the period is extended to the next day that is not a Saturday, Sunday, or holiday.
- (c) No bill may be passed by either house on or after September 1 of a general session except statutes calling elections, statutes providing for tax levies or appropriations for the usual current expenses of the State, and urgency statutes, and bills passed after being vetoed by the Governor:
- (d) The Legislature shall not present to the Governor any bill passed in a budget session or general session after November 15.
- (e) The Governor may reduce or eliminate one or more items of appropriation while approving other portions of a bill. The Governor shall append to the bill a statement of the items reduced or eliminated with the reasons for the action. The Governor shall transmit to the house originating the bill a copy of the statement and reasons. Items reduced or eliminated shall be separately reconsidered and may be passed over the Governor's veto in the same manner as bills.
- (f) (1) If, following the enactment of a budget bill for 2013–14 fiscal year or any subsequent fiscal year, the Governor determines that, for that fiscal year, General Fund revenues will decline substantially below the estimate of General Fund revenues upon which the budget bill for that fiscal year, as enacted, was based, or General Fund expenditures will increase substantially above that estimate of General Fund revenues, or both, the Governor may issue a proclamation declaring a fiscal emergency and shall thereupon cause the Legislature to assemble in special session for this purpose. The proclamation shall identify the nature of the fiscal emergency and shall be submitted by the Governor to the Legislature, accompanied by proposed legislation to address the fiscal emergency.
- (2) If the Legislature fails to pass and send to the Governor a bill or bills to address the fiscal emergency by the 45th day following the issuance of the proclamation, the Legislature may not act on any other bill, nor may the Legislature adjourn for a

 $SCA 2 \qquad -10 -$

joint recess, until that bill or those bills have been passed and sent
 to the Governor.

(3) A bill addressing the fiscal emergency declared pursuant to this subdivision shall contain a statement to that effect.

Seventh—

Third—That Section 12 of Article IV thereof is amended to read: SEC. 12. (a) Within the first 10 days of each calendar year, the Governor shall submit to the Legislature, with an explanatory message, a budget for the ensuing fiscal year containing itemized statements for recommended state expenditures and estimated state revenues. If recommended expenditures exceed estimated revenues, the Governor shall recommend the sources from which the additional revenues should be provided.

- (b) The Governor and the Governor-elect may require a state agency, officer, or employee to furnish whatever information is deemed necessary to prepare the budget.
- (c) (1) The budget shall be accompanied by a budget bill itemizing recommended expenditures.
- (2) The budget bill shall be introduced immediately in each house by the persons chairing the committees that consider the budget.
- (3) The Legislature shall pass the budget bill by midnight on June 15 of each year.
- (4) Until the budget bill has been enacted, the Legislature shall not send to the Governor for consideration any bill appropriating funds for expenditure during the fiscal year for which the budget bill is to be enacted, except emergency bills recommended by the Governor or appropriations for the salaries and expenses of the Legislature.
- (d) No bill except the budget bill may contain more than one item of appropriation, and that for one certain, expressed purpose. Appropriations from the General Fund of the State, except appropriations for the public schools and appropriations in the budget bill and in other bills providing for appropriations related to the budget bill, are void unless passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring.
- (e) (1) Notwithstanding any other provision of law or of this Constitution, the budget bill and other bills providing for appropriations related to the budget bill may be passed in each

-11- SCA 2

house by rollcall vote entered in the journal, a majority of the membership concurring, to take effect immediately upon being signed by the Governor or upon a date specified in the legislation. Nothing in this subdivision shall affect the vote requirement for appropriations for the public schools contained in subdivision (d) of this section and in subdivision (b) of Section 8 of this article.

- (2) For purposes of this section, "other bills providing for appropriations related to the budget bill" shall consist only of bills identified as related to the budget in the budget bill passed by the Legislature.
- (f) The Legislature may control the submission, approval, and enforcement of budgets and the filing of claims for all state agencies.
- (g) For the 2004–05, 2005–06, 2006–07, 2007–08, 2008–09, 2009–10, 2010–11, 2011–12, and 2012–13, 2013–14, and 2014–15 fiscal years, the Legislature may not send to the Governor for consideration, nor may the Governor sign into law, a budget bill that would appropriate from the General Fund, for that fiscal year, a total amount that, when combined with all appropriations from the General Fund for that fiscal year made as of the date of the budget bill's passage, and the amount of any General Fund moneys transferred to the Budget Stabilization Account for that fiscal year pursuant to Section 20 of Article XVI, exceeds General Fund revenues for that fiscal year estimated as of the date of the budget bill's passage. That estimate of General Fund revenues shall be set forth in the budget bill passed by the Legislature.
- (h) Notwithstanding any other provision of law or of this Constitution, including subdivision (c) of this section, Section 4 of this article, and Sections 4 and 8 of Article III, in any year in which the budget bill is not passed by the Legislature by midnight on June 15, there shall be no appropriation from the current budget or future budget to pay any salary or reimbursement for travel or living expenses for Members of the Legislature during any regular or special session for the period from midnight on June 15 until the day that the budget bill is presented to the Governor. No salary or reimbursement for travel or living expenses forfeited pursuant to this subdivision shall be paid retroactively.
- (i) This section does not apply to the budget or budget bill for any fiscal period commencing on or after July 1, 2013 2015. This section shall remain in effect until July 1, 2013 2015, and as of

 $SCA 2 \qquad -12 -$

1 that date is repealed. Section 12 of Article IV, as added by the

2 measure that added this subdivision, shall apply to the budget and 3 budget bill for fiscal periods commencing on or after July 1, 2013

4 2015.

Eighth—

Fourth—That Section 12 is added to Article IV thereof, to read: SEC. 12. (a) (1) Within the first 10 days of each odd-numbered calendar year, the Governor shall submit to the Legislature, with an explanatory message, a separate budget for each of the two subsequent fiscal years thereafter commencing on July 1, containing itemized statements for recommended state expenditures and estimated state revenues. If recommended expenditures exceed estimated revenues, the Governor shall recommend the sources from which the additional revenues should be provided.

- (2) The budget submitted by the Governor shall include all of the following:
- (A) A goal statement for each public program that receives state funds in the budget.
- (B) A description of the outcome measures or other information that may be used to determine whether progress is being made in accomplishing goals identified pursuant to subparagraph (A), and the impact of each program supported by state funds in supporting that progress.
- (C) A historical report tracking the progress in meeting goals identified pursuant to subparagraph (A) and informing whether the state's impact on goals is improving over time.
- (3) The budget submitted by the Governor, including related information regarding goals, outcomes, and performance required by paragraph (2), shall be made available to the public in text form in an open, electronic format that is machine readable, or in another format that is readily accessible to the public.
- (b) The Governor and the Governor-elect may require a state agency, officer, or employee to furnish any information that is deemed necessary to prepare each budget.
- (c) (1) Each budget shall be accompanied by a budget bill itemizing recommended expenditures for the applicable fiscal year.
- (2) The budget bills shall be introduced immediately in each house by the persons chairing the committees that consider the budget.

-13- SCA 2

(3) The Legislature shall pass the budget bills by midnight on June 15 of the odd-numbered calendar year.

- (4) Until the budget bills are enacted, the Legislature shall not send to the Governor for consideration any bill appropriating funds for expenditure during either of the two subsequent fiscal years for which the budget bills are to be enacted, except emergency bills recommended by the Governor or appropriations for the salaries and expenses of the Legislature.
- (d) No bill except a budget bill may contain more than one item of appropriation, and that for one certain, expressed purpose. Appropriations from the General Fund of the State, except appropriations for the public schools and appropriations in the budget bill and in other bills providing for appropriations related to the budget bill, are void unless passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring.
- (e) (1) Notwithstanding any other provision of law or of this Constitution, the budget bill and other bills providing for appropriations related to the budget bill may be passed in each house by rollcall vote entered in the journal, a majority of the membership concurring, to take effect immediately upon being signed by the Governor or upon a date specified in the legislation. Nothing in this subdivision shall affect the vote requirement for appropriations for the public schools contained in subdivision (d) of this section and in subdivision (b) of Section 8-of this article.
- (2) For purposes of this section, "other bills providing for appropriations related to the budget bill" shall consist only of bills identified as related to the budget in the budget bill passed by the Legislature.
- (f) The Legislature may control the submission, approval, and enforcement of budgets and the filing of claims for all state agencies.
- (g) For the fiscal year beginning July 1,-2013 2015, and every July 1 thereafter, the Legislature shall not send to the Governor for consideration, nor may the Governor sign into law, a budget bill that would appropriate from the General Fund, for that fiscal year, a total amount that, when combined with all appropriations from the General Fund for that fiscal year made as of the date of the budget bill's passage and with the amount of any General Fund moneys transferred to the Budget Stabilization Account for that

SCA 2 —14—

1 fiscal year pursuant to Section 20 of Article XVI, exceeds General
2 Fund revenues for that fiscal year estimated as of the date of the
3 budget bill's passage. That estimate of General Fund revenues
4 shall be set forth in the budget bill passed by the Legislature.

(h) Notwithstanding any other provision of law or of this Constitution, including subdivision (c) of this section, Section 4 of this article, and Sections 4 and 8 of Article III, in any year in which the budget bill is not passed by the Legislature by midnight on June 15, there shall be no appropriation from the current budget or future budget to pay any salary or reimbursement for travel or living expenses for Members of the Legislature during any regular or special session for the period from midnight on June 15 until the day that the budget bill is presented to the Governor. No salary or reimbursement for travel or living expenses forfeited pursuant to this subdivision shall be paid retroactively.